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**From:**

**Sent:** Friday, January 23, 2009 6:34:13 PM

**To:**

**Cc:**

**Subject:** RE: TFRP Issue

You have asked whether the IRS can legally freeze a refund when the IRS has proposed (but not assessed) a trust fund recovery penalty (TFRP) against a taxpayer. The answer is yes. The IRS is not required to immediately issue a refund. In this situation the refund is frozen so the IRS can preserve its ability to offset the taxpayer's refund to any subsequent TFRP assessment. An administrative freeze is not an attempt to permanently settle the taxpayer's account nor is it an actual offset. Please call me if you would like to discuss further.